



Sandra McCarthy  
*President*

**CitiStreet LLC**  
One Heritage Drive  
North Quincy, MA 02171  
Tel 617 376 9100  
Fax 617 376 1701

May 14, 2008

Geraldine Jimenez, CFA  
Division Chief, Supplemental Income Plans  
CalPERS Investment Office  
P.O. Box 942713  
Sacramento, CA 94229-2713

Dear Geraldine,

It was great to speak with you and personally share our exciting announcement that CitiStreet will be joining the ING family of businesses. I welcome this opportunity to reaffirm the importance to our organization of our service relationship with the CalPERS Supplemental Income Plans and to reaffirm our commitment to the highest standards of service excellence and operational best practices.

As part of ING, our organization will continue to sustain the focus and the resources that have made us a leader in employee benefits administration and enabled us to serve your plan and participants with excellence. ING, a global financial services company and leading provider of retirement and wealth management services, is dedicated to investing in the benefit administration business long-term.

I am further pleased to inform you that it is our plan to keep the CalPERS service team intact so that your Plan and your participants can continue to benefit from its expertise and the leadership of Kim Alger and Brian Merrick. As we have discussed, there are a number of current projects under way to enhance the service model, with mutually agreed upon objectives, processes and schedules.

It is the service team's first priority to continue to deliver timely results on these initiatives going forward. The initiatives include redesigning census and payroll transmissions for all plans as part of the 2008 - 2009 Pension System Resumption Project and the deconversion of the Anaheim Retirement Health Savings Plan. They also include specific Plan-related projects such as:

- Enhancing the investment line-up with new fund options and/or risk-based and/or target date-based funds for selected Plans
- Implementing ACH loan repayments for selected Plans
- Enriching IVR and Web functionality for selected Plans

Geraldine, we place enormous value on our relationship with your Plan and your participants. We fully recognize the importance of sustained service excellence as we transition to ING. Please be assured that we are deeply committed to preserving – and building – the confidence you have in our organization.

Very truly yours,

  
Sandra McCarthy

c: Anne Stausboll, CalPERS  
Kim Alger, CitiStreet  
Brian Merrick, CitiStreet